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SUBJECT: GUANGZHOU GOVERNMENT GRAPPLES WITH "AFRICA TOWN"

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¶1. (SBU) Summary: The local authorities have responded to the growing numbers and high concentrations of Africans in various Guangzhou neighborhoods by quietly funding research into crime rates, religious practices, and tax payments associated with their activities. It is unclear whether this is the first step in a revision of municipal policy towards the African and other foreign communities. Authorities, who are not disclosing the results of the research, may be contemplating stronger enforcement of tax laws while ramping up administrative and policing capacity in foreign communities. End Summary.

#### HIGH CONCENTRATIONS OF ARICANS WORRY LOCAL AUTHORITIES

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¶2. (SBU) Guangzhou's growing and increasingly visible African community has attracted the attention of local authorities. At their request, Associate Professor at the Guangzhou Academy of Social Science's (GZASS) Urban Management Institute, Huang Shiding, recently conducted research on Guangzhou's burgeoning foreign population, with special emphasis on Africans. Huang estimated there are 20,000 Africans currently living in Guangzhou, consisting mainly of export buyers, laborers, service sector business owners, and a small number of students.

¶3. (SBU) Huang revealed that local authorities are extremely concerned about the high degree of concentration of Africans into a few Guangzhou neighborhoods (Sanyuanli and Dengfeng areas) because their presence prompts many Chinese to move out of those areas. This in turn makes control difficult for the government due to cultural and language barriers. Huang commented that many Chinese residents do not want to live in "Africa Town" due to "differences" ranging from culture to lifestyle to hygiene. Many also believe that crime rates in areas populated by Africans are higher than in other areas, and hence are dangerous places to live and raise a family. They also believe that African religious practices draw unwanted attention and/or cause disturbances, Huang asserted.

¶4. (SBU) Huang carried out his research quietly, only sharing his findings with a few officials in keeping with the nondisclosure agreement he signed with the Guangzhou Communist Party Committee. With permission from the GZASS Foreign Affairs Office, he agreed to discuss his findings with Congenoff only in general terms. Huang declined to say whether his research showed that crime rates in African communities are actually higher compared to other areas in Guangzhou. Nor would he answer any questions pertaining to religious practices within the African community. However, despite the presence of a Public Security Bureau (PSB) official throughout

the meeting, it was apparent from his responses that he had researched these topics and they were important areas of concern for the officials who commissioned his study.

#### CONTRARY TO POPULAR OPINION, NIGERIANS ARE A MINORITY

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¶5. (SBU) Nevertheless, Huang debunked a common misconception among locals, expatriates, and the international press: that the majority of the city's Africans are from Nigeria and that they commit a disproportionate number of the city's crimes. According to Huang, who told us he had access to official visa records during his study, Malians are most populous in Guangzhou, making up 50 percent of the African community; Congolese come in a distant second, with Nigerians somewhere further down the list.

¶6. (SBU) Huang cited three possible reasons for this misperception: some of the more visible members of the community are Nigerian, giving the impression that they are the most numerous group; many Africans involved in illicit activities, such as prostitution or drug smuggling, will claim to be Nigerian in an attempt to hide their true identities. Still others claim to be Nigerian simply because it is a more recognizable country than their smaller, neighboring homelands in sub-Saharan Africa.

#### GUANGZHOU MAY BE CONSIDERING TAXING AFRICAN BUSINESSES

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¶7. (SBU) According to Huang, most African export buyers and business owners are split into two divergent economic strata: those spending more than 10,000 RMB (about USD 1500) monthly, and those

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spending around 500 RMB (about USD 72), with the "middle class" constituting a small minority (hour-glass distribution). Well-off Africans typically employ members of the lower stratum as housekeepers, porters, and warehouse workers, and usually pay them less than their Chinese counterparts earn.

¶8. (SBU) Huang asserted that while the local community certainly benefits from African consumption and trading activities, the municipal government itself does not benefit financially because most African companies do not register or pay taxes. Concurrently, the cost of administering and policing the African community is rising. Huang declined to say whether there is a move afoot to bring the Guangzhou-Africa trade and associated businesses in line with municipal registration and tax policies, but the revenue implications of such an effort were clearly an issue he had analyzed carefully.

#### LACK OF FORMAL LEADERSHIP IMPEDES LOCAL AUTHORITIES

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¶9. (SBU) Huang verified that there are no official representatives from African countries, formal chambers of commerce, or other registered business/trade organizations in Guangzhou, leaving local authorities at a disadvantage in understanding and managing the African population. However, he said there are a few extremely well-connected, highly influential African businessmen in Guangzhou.

These "Big Brothers" immigrated to the city more than ten years ago, can speak fluent Cantonese, and have managed to obtain Chinese citizenship. According to Huang, they will exert their influence when events threaten their or the community's interests, or require close coordination with local authorities. They also appear to play arbitration and policing roles within the community. Huang cited a recent murder case involving an African victim in which local authorities, who Huang admitted are clueless about the African community, had to request assistance from one of these informal community leaders in mounting their investigation.

¶10. (SBU) The only official representation from African governments in south China is located in Shenzhen, across the border from Hong Kong. The Rwandan Department of Commerce (DOC) has been there since 2005, and more recently Zambia has opened an office. These offices are focused on attracting investment to their home countries rather than serving the local expatriate community. Albert Rugaba with the

Rwandan DOC told us many Africans see Shenzhen, which "rose out of farmland to become [China's] most prosperous city...in only 20 years," as a model of development. According to Rugaba, it was difficult at first to overcome a prevalent assumption in China that "Africa equals chaos," but he pointed to some notable successes: a visit by Shenzhen Vice Mayor Zuo Qinrui to Rwanda to assess business opportunities; investment in Rwanda by Shenzhen Jiuzhou Technology to manufacture low-end mobile phones; and an agreement with Beijing Star Communications Network Technologies to develop the cable (DSL) industry in Rwanda. Rugaba commented that Africa needs investment not "aid with impossible conditions." He added that Chinese emphasis on "partners as equals" appeals to African sentiment in the wake of colonization.

#### TWO AFRICAN TRADERS CONFIRM SOME OF HUANG'S FINDINGS

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¶11. (SBU) Guangzhou's Tianxiu Building houses five floors of shops catering to African and Middle Eastern export buyers. Congenoff met there with Diakite Aly Badara, General Manager of ABD Trading Company, LTD. (unregistered). Diakite said he had been coming to Guangzhou for five years, mainly to purchase clothing and electronics that are in demand in his home country of Mali, and that his monthly income is between 2,000 and 5,000 RMB (USD 300-700). Diakite's company ships two-to-three containers to Mali annually, each containing about USD 50,000 in merchandise. Diakite commented that Chinese wholesalers usually give him two receipts, one reflecting the true value of the merchandise and a second for half the value, which he provides to Malian customs for tax purposes. Diakite confirmed that neither he nor his company pay taxes to the municipal government. He also verified Huang's assertion that Nigerians are a minority in Guangzhou ("Maliens and Guineans are prevalent"), and mentioned there is tension between Nigerians and the rest of the African community due to Nigerians' "different thinking" and involvement in "drugs and prostitution."

¶12. (SBU) Nwanevu Bellarmine, a Nigerian export buyer with K-Frank Scientific Co., boasts a more than ten-year history in Guangzhou and is one of the more prosperous members of the African community. He told us his company trades mainly in medical supplies, but that he will also personally purchase and ship other "hot items" demanded by

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his customers, such as the latest mobile phones, which are largely unavailable in Nigeria. Nwanevu also verified some of the local prejudices against Africans mentioned by Huang, describing how locals often hold their noses in his presence, or assume he is involved in illicit activities since he is a Nigerian. Nwanevu, a Mormon, also attested to the relative religious freedom he and other Africans (predominately Christians and Muslims) enjoy in Guangzhou.

#### COMMENT - SOUTH CHINA AUTHORITIES FACE A NEW DILEMMA

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¶13. (SBU) In all likelihood, Guangzhou authorities are seriously contemplating how to better manage the city's burgeoning foreign population, with emphasis on Africans due to the perception that they are partly responsible for the city's rising crime rate. It has been three years since the last major overhaul in policies governing the administration of foreigners, when additional responsibilities were passed to local police bureaus; in essence, passport and visa checks suddenly became the responsibility of the average beat cop. The obvious problem: most police officers do not speak English well, let alone Hausa, Yoruba, Igbo, Songhai and other African languages now frequently heard on the streets of Guangzhou's predominately African neighborhoods. Training to meet this need is clearly cost prohibitive. Authorities appear to be exploring options for stronger enforcement that extends from street crime to tax evasion. End Comment.

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